

ARIZONA **BINGO REVIEW**



Governor Janet Napolitano
Director Gale Garriott
Deputy Director Kristine Ward
Assistant Director—
Audit Division Vincent G. Perez
Internet Address www.azdor.gov
Email Address bingo@azdor.gov
Phoenix Office
1600 West Monroe
Phoenix AZ 85007
Phone 602-716-7801
(Fax 602-364-0086)
Bingo Section Administrator
David Manzer
DManzer@azdor.gov
Bingo Manager Lee Baron
LBaron@azdor.gov
Investigator Jason Tussing
JTussing@azdor.gov
Revenue Auditor Loraine Mata
LMata@azdor.gov
Administrative Assistant
Lupe Bejarano
LBejarano@azdor.gov
Tucson Office
400 West Congress
Tucson AZ 85701
Phone 520-628-6438
(Fax 520-628-6474)
Investigator Richard Pittman
RPittman@azdor.gov
Revenue Auditor Gloria Barnhart
GBarnhart@azdor.gov

ENFORCEMENT COORDINATION

Arizona Revised Statutes limit our participation in civil and criminal cases to matters pertaining directly to licensing and the administration of bingo regulations. However, when we become aware of criminal

violations beyond our jurisdiction it is standard practice to pass the information along to the appropriate city or county authorities for their investigation and potential prosecution.

EXPANDED COMPLIANCE VISITS

Our compliance visits have been expanded to include the auditing of revenue and expenses from a recent Financial Report. If requested, please have the following information available. Revenue: nightly verification records (ADOR form 25-1009), all bank deposit slips and bank

statements. Expenses: all the original documents pertaining to expenses you reported on Schedule I and Schedule II. The compliance visits should last about an hour longer than previously, so please plan accordingly.

FOR YOUR INFORMATION

There are currently 684 bingo licenses throughout the state. The following table shows the number and type of licenses that are administered by our Phoenix and Tucson offices.

	Phoenix	Tucson	Total
A Licenses	266	229	495
B Licenses	53	109	162
C Licenses	19	8	27
Total	338	346	684



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LICENSE NUMBER PLEASE

As we often ask in these columns, please remember to put your bingo license number on all correspondence with us, including email. This is important because our computer system and paper files are both based on this number. So whenever you make changes to your license—for example, to cancel a game, change the starting time of a game, add another occasion, add or delete personnel, update your records for changed telephone numbers, etc.—we need your bingo license number on the related document.

ANNUAL SURVEY

By now you should have received our annual customer survey. If you haven't already done so, please take a few moments to fill it out and send it back to us. We appreciate your comments and need the feedback to improve our services or correct any problems you might be experiencing. At this point it appears our customer satisfaction rating will be slightly better than the high scores we received last year. We will report the final survey results in the next edition of this newsletter.

FINANCIAL REPORT REMINDERS

- The Proceeds Coordinator is required to sign all Financial Reports filed with the Department of Revenue.
- Class A licensees must file a Financial Report each year regardless of their level of activity. If no games were played during the previous year, zeros should be entered on the applicable lines.
- On the Financial Report for B and C licenses, Schedule I, Compensation Paid To Bingo Workers-Salary, include the individual names of your bingo assistants, the number of hours they worked, and the amount of wages they were paid.
- As stated in ARS § 5-407, your financial reports must be filed "On or before the twentieth day after the end of every reporting period designated for the class of the license".

QUESTIONS & ANSWERS

Question: How long must our records be retained?

Answer: *Three years.*

Question: How is the bingo tax calculated for class A licenses?

Answer: *Class A licenses are taxed at 2.5% of Adjusted Gross Receipts—i.e., the amount left over after prize money is subtracted from gross receipts(which is total of all revenue derived from admission fees, ticket sales, supplies, food or beverage, and other sources).*

Question: Which licensing forms and other bingo documents have to be notarized before they're submitted to the Department of Revenue Bingo Section?

Answer: *None of them—all of the notary requirements have been eliminated.*

Question: What is the basic procedure for reporting sales from powerball games?

Answer: *All powerball sales revenue must be reported as part of gross receipts, even if all the proceeds are paid out as prizes.*

Question: What is the basic procedure for reporting powerball prizes?

Answer: *Powerball prizes must be added to your regular game prizes, and the total amount for the occasion cannot exceed \$3,000. Also, any prize of \$150.00 or more must be paid by check.*



TELEPHONES FIXED

A problem developed with our new telephone system in Phoenix, which has now been repaired. We apologize to anyone who may have called but was unable to reach us or leave a message.

TRAINING WORKSHOPS

Last year staff shortages prevented us from holding as many training workshops as we would have preferred. However, we're now in the process of hiring a new investigator and with the addition of this person we expect to be holding more workshops in the months ahead. For efficiency purposes these will again be group training sessions, typically for A licensees. You'll be notified in advance when a workshop is being held in your area, and you're welcome to have as many of your members attend as you'd like.

SPECIFIC QUESTIONS

You're also encouraged to call Jason or Richard with any short and specific questions you might have about operational or legal matters. Similarly, we hope you'll contact either of our auditors with any particular questions you might have about financial reporting. Loraine Mata-Hauksson can be reached in Phoenix at 602-716-7801 and Gloria Barnhart's number in Tucson is 520-628-6438. These proactive telephone calls can prevent problems from occurring and potentially save a good deal of time and effort for both your office and ours.



IMPROVED WEBSITE

Improvements have recently been made to the Department of Revenue website. To find our webpage go to www.azdor.gov and click first on the Business link and then on the alphabetical listing for Bingo.

OTHER TRAINING

Individual training sessions are available upon request to help B and C licenses resolve problems that stem from staff turnover and other causes. Please contact Jason Tussing in our Phoenix office (602-716-7801) or Richard Pittman in Tucson (520-628-6438) if you'd like to arrange for this training.

POWERBALL

There is still some confusion about the regulations pertaining to powerball games. We suggest calling Richard or Jason with any questions you might have about your existing powerball game, or if you're thinking about starting a new one. In all likelihood your questions can be answered quickly and easily over the telephone. Also, the handling of powerball revenue and prizes was addressed previously in this newsletter under Questions & Answers. More lengthy articles about the powerball can be found in the October, 2004 and August, 2005 editions of this newsletter, both of which are posted on our website.

